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Message Text

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70
ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 OPIC-12 OMB-01 TRSE-00 AID-20

COME-00 IGA-02 L-03 CIAE-00 INR-10 NSAE-00 RSC-01

CIEP-02 /083 R

DRAFTED BY DAN CLARE:ARA/CEN
APPROVED BY DLAZAR:ARA/CEN
OPIC JPOTTER (INFO)
---------- 102358
R 282314Z SEP 73
FM SECSTATE WASHDC
TO AMEMBASSY GUATEMALA

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E.O. 11652: N/A
TAGS: EIND, GT, US
SUBJECT: PROPOSE LUMBER OPERATION IN PETEN

SUMMARY: INVESTOR IN US STATES THAT FIRM HAS SIGNED FIVE YEAR RENEWABLE LUMBER CONTRACT WITH FYDEP FOR FIVE MILLION DOLS. INVESTMENT FOR MILLS AND ANCILLARY PROJECTS WITH OUTPUT SET AT MINIMIUM OF 500,000 BOARD FEET PER MONTH. U.S. INVESTOR STATES AGREEMENT PROVIDES GOG ASSURANCES OF GUARANTEES SUFFICIENT TO OBTAIN OPIC INSURANCE. INVESTOR STATES DELEGATION FROM GUATEMALA TO BE FETED IN ATLANTA GA, NEXT WEEK. END SUMMARY.

1. MR. AARON DIANES OF MORRISTOWN NEW JEREY CALLED TO ADVISE DEPARTMENT THAT FIRM IN WHICH HE INVESTING HAS SIGNED FIVE YEAR AGREEMENT WITH FYDEP FOR QTE INDUSTRIALI-ZATION OF LUMBERING OPERATIONS" IN PETEN UNQTE. ACCORDING DIANES, TIMPORT INC OF 1389 PEACH ST SUITE 300 ATLANTA GEORGIA HAS BEEN NEGOTIATING FOR PAST FIVE MONTHS WITH FYDEP FOR TIMBER RIGHTS IN PETEN. REPORTEDLY AGREEMENT REACHED WITH FYDEP SEPTEMBER 27 WHICH CALLS FOR IMPORT
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TO INVEST CLOSE TO US $5 MILLION IN MILLS HOUSING, SCHOOLS

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AND MEDICAL FACILITIES IN PETEN. FYDEP HAS GRANTED CUTTING RIGHTS FOR ENTIRE PETEN AND SET ASIDE 2,000 ACRES FOR INITIAL TIMPORT PLANT. TIMPORT WOULD OFFER FIRST 500,000 BOARD FEET OF CUT LUMBER PER MONTH TO FYDEP AND BUY BACK ANYTHING FYDEP UNABLE TO SELL FOR EXPORT TO U.S.

ANYTHING OVER 500,000 WOULD GO TO TIMPORT FOR SALE.

2. TIMPORT LAWYER WILLIAM GALLAWAY (NOW IN GUATEMALA) AND FIRM'S LOCAL LAWYER LIC. CARLOS DIAZ-DURAN, HAVE REPORTED TO THEIR PRINCIPALS IN US THAT GOG HAS OFFERRED TO PROVIDE GUARANTEES ENABLING TIMPORT TO OBTAIN OPIC INSURANCE. PRINCIPAL INVESTER IN TIMPORT, MR. HAL SUIT NOW ORGANIZING RECEPTION IN ATLANTA FOR GUATEMALAN DELEGATION WHICH DUE ARRIVE OCTOBER 4. COMPOSITON OF DELEGATION NOT YET FIRM BUT SUPPOSEDLY WILL INCLUDE FYDEP'S CASSASOLA, FYDEP LAWYER AND QTE PRESIDENT' ARANA'S LAWYER UNQTE.

3. OPIC ACTION OFFICER STATES THAT HE RECEIVED LENGTHY PROPOSAL FROM TIMPORT ON SEPTEMBER 27. QUICK READING REVEALED THAT PROPOSAL CALLS FOR $2.5 MILLION OPIC EQUITY PARTICIPATION (WHICH OPIC DOES NOT OFFER).

4. BEGIN LOU COMMENT: DEPARTMENT WOULD APPRECIATE EMBASSY'S VIEWS AS TO STATUS OF ALLEGED AGREEMENT PARTICULARLY NATURE OF GUARANTEES WHICH GOG SAID TO BE PROVIDING. FYI SINCE OPIC HAS JUST RECEIVED TIMPORT PROPOSAL THEY NOT IN POSITION COMMENT ON THEIR POSSIBLE ROLE AT THIS TIME. END COMMENT. KISSINGER

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